



# University of Connecticut Health Center

**POLICY NUMBER 2002-25**

**August 11, 2006**

**POLICY: WRITE-OFF OF OVERDRAFTS AND DISALLOWANCES  
(RESEARCH/SPONSORED PROGRAMS)**

**PURPOSE:**

To establish responsibility regarding unresolved sponsored project overdrafts and disallowances.

**Definitions:**

Overdrafts are comprised of salary and/or other direct costs expenditures which exceed the authorized award amount. In certain instances, the overdraft may consist of the amount of the expenditure which exceeds an approved, but restricted, individual line item award amount.

Disallowances represent salary or other costs charged to a project fund that are deemed to be unallowable by either: a) Federal regulations, i.e., A-21 provisions; terms of Federal and private contracts or agreements, or b) costs incurred and submitted to the project sponsor for reimbursement but directly denied as a reimbursable cost by that sponsor, or c) costs that are disallowed as a result of a review by Research Finance or an audit.

**POLICY STATEMENT:**

1. Cost disallowances should be funded via a transfer voucher and transferred to a funding source other than a restricted sponsored program. The funding source will be the appropriate unrestricted account as identified in [Policy #2002-34](#) Financial Responsibility.
2. Unallowable costs that are specifically deemed not reimbursable by the sponsor, or specifically deemed to be unallowable by the provisions of A-21, shall not be charged to a sponsored program fund.
3. Departmental Administrators, in consultation with their respective Principal Investigators, are responsible for reviewing monthly grant financial reports and expeditiously resolving direct cost overdrafts, errors and/or disallowances on sponsored project funds.

4. Research Finance will assist and follow-up to ensure the successful and timely resolution of overdrafts and/or disallowances
5. Failure to resolve direct cost overdrafts and/or disallowances in a timely manner will result in the transfer of the charges by Research Finance to the Department Unrestricted Operating Account as designated in [Policy #2002-34](#) Financial Responsibility and [Close-out of Sponsored Program Accounts procedures](#).

Daniel Upton	10/17/06
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<b>Chief Financial Officer</b>	<b>Date</b>
Bruce M. Koeppen, M.D.	10/12/06
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<b>Dean for Academic Affairs</b>	<b>Date</b>
Peter J. Deckers, M.D.	10/12/06
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<b>Executive Vice President for Health Affairs</b>	<b>Date</b>

**Replaces:** Policy dated 2/25/02  
**Revised:** August 11, 2006